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No. 03-37

IN THE

Supreme Court of the United States

INFINEON TECHNOLOGIES AG,
INFINEON TECHNOLOGIES NORTH AMERICA CORP., AND
INFINEON TECHNOLOGIES HOLDING NORTH AMERICA INC.,

Petitioners,

v.

RAMBUS, INC.,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

REPLY TO BRIEF IN OPPOSITION

JOHN M. DESMARAIS
GREGORY S. AROVAS
THOMAS D. PEASE
MICHAEL P. STADNICK
KIRKLAND & ELLIS LLP
153 East 53rd St.
New York, NY 10022

KENNETH W. STARR
Counsel of Record
CHRISTOPHER LANDAU
KANNON K. SHANMUGAM
KIRKLAND & ELLIS LLP
655 Fifteenth St., N.W.
Washington, DC 20005
(202) 879-5000

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TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES iii

INTRODUCTION 1

ARGUMENT 2

I. The Fraud Issue 2

A. The Scope of Duty Issue 2

B. The Breach of Duty Issue 5

II. The Claim Construction Issue 6

CONCLUSION 10

TABLE OF AUTHORITIES

Page

CASES

Cardinal Chem. Co. v. Morton Int'l, Inc.,
508 U.S. 83 (1993) 1
Digital Biometrics, Inc. v. Identix, Inc.,
149 F.3d 1335 (Fed. Cir. 1998) 10
Iacurci v. Lummus Co.,
387 U.S. 86 (1967) (*per curiam*) 6
Inverness Med. Switz. GmbH v.
Princeton Biomeditech Corp.,
309 F.3d 1365 (Fed. Cir. 2002) 7, 8, 9
Marbury v. Madison,
1 Cranch (5 U.S.) 137 (1803) 7
Markman v. Westview Instruments, Inc.,
52 F.3d 967 (Fed. Cir. 1995) (*en banc*),
aff'd, 517 U.S. 370 (1996) 9
Multiform Desiccants, Inc. v. Medzam, Ltd.,
133 F.3d 1473 (Fed. Cir. 1998) 9
Solomon v. Kimberly-Clark Corp.,
216 F.3d 1372 (Fed. Cir. 2000) 5
Texas Digital Sys., Inc. v. Telegenix, Inc.,
308 F.3d 1193 (Fed. Cir. 2002) 9
Vitronics Corp. v. Conceptronic, Inc.,
90 F.3d 1576 (Fed. Cir. 1996) 9
Weisgram v. Marley Co.,
528 U.S. 440 (2000) 6
Zodiac Pool Care, Inc. v. Hoffinger Indus., Inc.,
206 F.3d 1408 (Fed. Cir. 2000) 10

CONSTITUTION AND RULE

Fed. R. Civ. P. 50(b) 2
U.S. Const. amend. VII 2

OTHER AUTHORITIES

Bender, Gretchen Ann,
Uncertainty and Unpredictability in Patent Litigation: The Time Is Ripe for a Consistent Claim Construction Methodology,
8 J. Intell. Prop. Law 175 (2001) 10
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Federal Practice & Procedure (Supp. 2003) 3

INTRODUCTION

The theme of Rambus' opposition brief is that "Infineon's petition presents only case-specific issues." Opp. 1. Nothing could be further from the truth.

As an initial matter, the disposition of the petition will determine the future of the worldwide computer memory industry in particular, and industry standard-setting bodies in general—a point underscored by the outpouring of *amicus* briefs filed in support of the petition by Infineon's competitors in the memory industry, JEDEC (the electronics industry's standard-setting body), participants in other standard-setting bodies, and the Attorneys General of no fewer than fifteen States and the Commonwealth of Puerto Rico. If the Federal Circuit's fraud ruling is allowed to stand, Rambus will be poised to exercise patent rights over the standardized technology in the memory chips of virtually all the world's computers, and it will be open season for copycats to emulate Rambus' patent ploy in other industry standard-setting bodies.

As if that were not enough, the petition also presents a fundamental issue of patent claim construction methodology: whether an extrinsic dictionary definition provides a claim term's presumptive "ordinary meaning," and thus takes precedence over the intrinsic patent specification. Although that issue arises in virtually every patent case, the Federal Circuit's precedents are in hopeless disarray on the point—as underscored by the *amicus* brief of Robert L. Harmon, who quite literally wrote the book on claim construction, *Patents and the Federal Circuit* (6th ed. 2003); *cf. Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 102 n.25 (1993) (citing the Harmon treatise's criticism of the Federal Circuit on another point in reversing the Federal Circuit on that point).

For either or both reasons, this Court should summarily reverse the decision below or set the case for plenary review. At a minimum, it should call for the views of the United States.

ARGUMENT

I. The Fraud Issue

Rambus' strategy on the first question presented is simply to insist that the question is "intensely record-specific," and indeed "does not even purport to present legal issues." Opp. 13. That is incorrect. The panel majority held *as a matter of law* that the district court had violated Rule 50(b) by denying Rambus' post-trial motion for judgment as a matter of law on Infineon's SDRAM fraud claim. *See* Pet. App. 39a, 42a. To be sure, the panel majority's basis for that legal ruling was its assertion that not even "substantial evidence" supported (1) the jury's factual finding with respect to the scope of Rambus' JEDEC disclosure duty, Pet. App. 24a-35a, or (2) the jury's "implicit" factual finding that Rambus breached the "relevant" disclosure duty, Pet. App. 2a, 35a-39a. But this application of the "substantial evidence" standard of appellate review *itself* presents a legal issue. In essence, Rambus wants this Court to give the courts of appeals free rein to ignore the most basic principles governing appellate review of jury verdicts, and thus the Seventh Amendment, without any fear of correction. The decision below provides compelling evidence that a reminder on this score is overdue. Accordingly, this Court should use this case to reaffirm the bedrock principle that the proper appellate role in reviewing the denial of a Rule 50(b) motion is narrow, and that a court cannot use the "substantial evidence" standard of review to substitute its own view of the facts for the jury's.

A. The Scope of Duty Issue

Rambus' opposition brief, like the panel majority's opinion, reads just like a jury argument regarding the relative weight of conflicting evidence on the scope of the JEDEC disclosure duty. *See* Opp. 14-16; Pet. App. 24a-35a. But that approach misses the point: there already *was* a jury verdict on this issue, and the jury found in Infineon's favor. The issue on appeal, therefore, was not whether Infineon or Rambus had the better of

the argument, but only whether Infineon's evidence on this point was so wholly insubstantial that, even viewing the evidence in the light most favorable to Infineon, no reasonable jury could rule in Infineon's favor. *See, e.g.*, 9A Charles Alan Wright & Arthur Miller, *Federal Practice & Procedure* § 2524 (Supp. 2003). By rehashing the evidence supporting its view of the JEDEC disclosure duty, Rambus (like the panel majority below) fails to establish that the contrary evidence is not "substantial"; at most, Rambus underscores that there are genuine issues of material fact, which is why the issue went to the jury in the first place.

Indeed, Rambus' only attempt to deal with Infineon's evidence is to assert that "the *bits of evidence* recited by Infineon in no way undermine the [Federal Circuit's] conclusion as to the maximum disclosure duty supportable in the record." Opp. 14 (emphasis added). But these alleged "bits of evidence" include trial testimony by *JEDEC officials and participants* regarding the scope of the JEDEC disclosure duty. *See* Pet. 12-13. If that is not "substantial evidence" regarding the scope of that duty, it is hard to know what is. It is remarkable enough that Rambus had the gumption at trial to try to dispute these JEDEC officials' and participants' testimony regarding the scope of their own disclosure duty. But it is completely beyond the pale for the Federal Circuit to conclude not only that it knows more about the scope of the JEDEC disclosure duty than these JEDEC officials and participants, but that their contrary testimony is *not even "substantial evidence" sufficient to allow a reasonable jury to rule in Infineon's favor*. JEDEC thus finds itself now in the odd position of filing an *amicus* brief to tell this Court that it knows more about *its own disclosure duty* than the Federal Circuit. Let there be no mistake about it: as Judge Prost noted in her dissent, this is not an application of the traditional "substantial evidence" standard, but a naked substitution of the panel majority's view of the evidence for the jury's. Pet. App. 54a-55a.

Rambus is thus reduced to taking pot shots at Infineon's evidence, such as characterizing the trial testimony of JEDEC official John Kelly as a "passing statement," Opp. 14, and flipping the emphasis in his testimony that the JEDEC disclosure duty covered patent claims that "are or may be required to comply with the standard" from the "*may be*" to the "*required*," *id.* at 15. Rambus also criticizes the alleged "indeterminacy" of Infineon's "relates to" standard of disclosure, *id.* at 10 n.12 (internal quotation omitted), but that issue was presented to the jury as a *factual* matter precisely because it is impossible to define the duty's scope with any precision as a *legal* matter. As Infineon's witnesses testified at trial, if there was any substantial question whether a claim was "related to" a proposed standard, then it should have been disclosed, *see* Pet. App. 50a-60a (Prost, J., dissenting): this was supposed to be a good-faith means of allowing JEDEC to avoid adopting patented technology as the industry standard, not a game of cat-and-mouse. Again, the issue here is not whether Rambus can come up with jury arguments to challenge the JEDEC disclosure duty alleged by Infineon—which is all that Rambus does, *see* Opp. 13-16—but whether, viewing the evidence in the light most favorable to Infineon, a reasonable jury could rule in Infineon's favor on the scope of the JEDEC disclosure duty. Rambus cannot, and does not, seriously dispute that it could.[1]

---

[1] Rambus claims, in its statement of the facts, that "Infineon's fraud theory relied on ... pre-1998 claims, even though most never issued and none has ever been asserted against Infineon (or other JEDEC-compliant SDRAM or DDR SDRAM makers)." Opp. 4. That is one of those classic legalistic statements that may be technically accurate, but is wholly misleading and legally irrelevant. The pre-1997 claims that Rambus fraudulently withheld address *the same subject matter* as the claims that Rambus asserted against Infineon and other JEDEC-compliant manufacturers. Not even the Federal Circuit panel majority suggested that Rambus could "launder" its fraudulent concealment of the pre-1997 claims by simply asserting the same subject matter of those undisclosed claims in new claims covering that subject matter filed after Rambus left JEDEC.

B. The Breach of Duty Issue

Rambus next defends the panel majority's application of its newly minted disclosure duty to the facts of this case, including the court's remarkable assertion that no "reasonable" JEDEC participant could conclude that Rambus' claims covered the JEDEC SDRAM standard *even though the undisputed evidence established that Rambus itself concluded just that*. *See* Opp. 17-20; Pet. App. 35a-39a. In particular, Rambus argues that "[t]he court of appeals here correctly found such evidence insufficient, given that subjective beliefs about patent coverage are 'largely irrelevant' to their objective scope." Opp. 20 (quoting *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1379 (Fed. Cir. 2000)). The problem with that argument is that subjective beliefs may be "largely irrelevant" to an *infringement* inquiry (as in *Solomon*), but the panel majority here purported to define the JEDEC disclosure duty as *broader* than an infringement inquiry, encompassing claims that a JEDEC participant "*reasonably would construe* to cover the standardized technology," Pet. App. 32a (emphasis added); *see also id.* ("This does not require a formal infringement analysis."). By defining the relevant disclosure duty as turning on a JEDEC participant's "reasonable expectation[s]" of infringement, rather than actual infringement, *id.*, the panel majority necessarily rendered relevant Rambus' *actual* expectations about the scope of its patent claims. Accordingly, the panel majority's assertion that "Rambus's mistaken belief that it had pending claims covering the [JEDEC SDRAM] standard" was "irrelevant," Pet. App. 38a, makes no sense.

Rambus also defends the panel majority's conclusion that the jury erred by making an "implicit" finding that Rambus breached the "relevant" disclosure duty, Pet. App. 2a, even though the panel majority first defined that duty on appeal. According to Rambus, Infineon has no one but itself to blame for not having argued on appeal (until its petition for rehearing) that "substantial evidence" supported a breach of the disclosure

duty articulated by the panel majority. *See* Opp. 17-18. Again, that argument defies law and logic. There was no basis or reason for Infineon to argue that "substantial evidence" supported a breach of the disclosure duty articulated by the panel majority *before* the panel majority articulated that duty. Indeed, as noted in the petition, *see* Pet. 15 n.4, Rambus did not even *challenge* the scope of the JEDEC disclosure duty on appeal, but instead argued that "*whatever the duty of disclosure*, Infineon did not prove that Rambus breached it." Rambus Fed. Cir. Br. 26-27 (emphasis added). Rambus' current suggestion that, under these circumstances, Infineon was required to address whether the evidence supported the breach of a duty not even urged by Rambus is preposterous.

That is why, at the very least, the Federal Circuit should have remanded the case to allow Infineon its day in court to prove its case under the disclosure duty articulated by the panel majority. Where, as here, "the party whose jury verdict has been set aside on appeal ... may have valid grounds for a new trial," the proper course is to remand the case. *Weisgram v. Marley Co.*, 528 U.S. 440, 451 (2000) (internal quotation and citation omitted); *see also Iacurci v. Lummus Co.*, 387 U.S. 86 (1967) (*per curiam*). Certainly, the panel majority was not entitled to appoint itself jury, trial court, and reviewing court all at once by conducting an *in camera* appellate trial to determine whether Infineon had presented evidence at trial that Rambus breached the JEDEC disclosure duty first defined by the panel majority. And because the panel majority erroneously saddled Infineon with the burden of identifying such evidence on appeal, *see* Pet. 18—a point to which Rambus tellingly does not even respond—the decision below cannot stand.

II. The Claim Construction Issue

Rambus' strategy on the second question presented is simply to insist that the question "merely challenges [the] construction of one particular patent claim term." Opp. 1. But that is a *reductio ad absurdum* of the question, akin to declaring that the

petitioner in *Marbury v. Madison*, 1 Cranch (5 U.S.) 137 (1803), "merely challenged" the tardy delivery of a particular judicial commission. What is at issue here is whether the Federal Circuit is entitled to give extrinsic evidence (a dictionary definition) precedence over the intrinsic patent specification in determining the meaning of a disputed claim term. Whatever the right answer to that question, it is clear that the Federal Circuit has answered it both ways, and this internal inconsistency on such a fundamental issue of patent law is intolerable. Indeed, this case starkly illustrates the problem, as the district court relied on the line of Federal Circuit cases holding that the specification takes precedence over an extrinsic dictionary definition, *see* Pet. App. 83a-92a, 99a-100a, while the Federal Circuit relied on the other line of its cases holding that an extrinsic dictionary definition takes precedence over the specification, *see* App. 19a-22a.

Rambus tries to circumvent this point altogether by asserting that the dictionary-definition issue "is a red herring in this case," because the Federal Circuit did not rely on a dictionary definition at all, but instead on some platonic "ordinary meaning" of the disputed claim term "bus." Opp. 22. That assertion is simply untrue. The Federal Circuit expressly adopted as the "ordinary meaning" of "bus" the dictionary definition proffered by Rambus. *See* Pet. App. 19a (defining "bus" as "a set of signal lines ... to which a number of devices are connected, and over which information is transferred between devices") (citing—and, indeed, quoting without attribution—*The New IEEE Standard Dictionary of Electrical and Electronic Terms* 141 (5th ed. 1993)) (Fed. Cir. App. 490); *see also* Pet. App. 80a (noting that Rambus advocated this dictionary definition). That approach is consistent with the case on which the Federal Circuit relied for its claim construction methodology, *Inverness Med. Switz. GmbH v. Princeton Biomeditech Corp.*, 309 F.3d 1365 (Fed. Cir. 2002), which held that extrinsic dictionary definitions "are the proper source of

ordinary meaning" of disputed claim terms, *id.* at 1369. Needless to say, Rambus' asserted dispositive distinction between "dictionary" cases and "ordinary meaning" cases breaks down where, as here, the court looks to a dictionary as the presumptive *source* of a term's alleged "ordinary meaning."

Rambus insists, however, that "[t]he ordinary meaning of the very common term 'bus' in the relevant field is not in dispute," and that both Infineon and the district court "accepted" and "admitted" that Rambus' dictionary definition provided that term's ordinary meaning. Opp. 22. Again, that assertion is simply untrue. Infineon vigorously disputed Rambus' assertion that its cherry-picked dictionary definition provided the term's "ordinary meaning," and indeed presented an expert at the *Markman* hearing on that very point. *See* 2/27/01 Tr. at 389-92 (McAlexander). Similarly, the district court suggested that Infineon's—not Rambus'—interpretation of the term "bus" on the face of the claim was correct, *see* Pet. App. 81a-83a, and on appeal, Rambus even accused the district court of having "*ignored* the undisputed ordinary meaning of 'bus,'" and thus "*skipp[ing]* the crucial first step of claim construction." Rambus Fed. Cir. Br. 20-21 (emphasis modified). Rambus' current assertion that "the court of appeals' reference to a dictionary ... was mere confirmation of an ordinary meaning that was already *obvious and beyond dispute*," Opp. 22 (emphasis added), is sheer fantasy.

Rambus thus misses the point by its lengthy and spirited defense of the undisputed proposition that a claim term's "ordinary meaning" presumptively governs the claim construction analysis. *See* Opp. 23-29. The issue here is whether a court can *derive* that "ordinary meaning" from an extrinsic dictionary definition before examining the intrinsic evidence, including the specification. Rambus' opposition brief does not deny, and cannot defend, the Federal Circuit's inconsistency on this fundamental patent-law issue. *See* Pet. 20-29; *see also* Harmon *Amicus* Br. 1-7.

Thus, in some cases (like this one, *see* Pet. App. 19a-22a, *Inverness*, 309 F.3d at 1369-70, and *Texas Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193 (Fed. Cir. 2002)), the Federal Circuit looks to an extrinsic dictionary definition as the source of a disputed claim term's presumptive "ordinary meaning," and holds that "the *presumption in favor of a dictionary definition* will be overcome where the patentee, acting as his or her own lexicographer, has clearly set forth an explicit definition of the term different from its ordinary meaning," or has otherwise "clear[ly] disavow[ed]" the dictionary definition, in the specification, *Texas Digital*, 308 F.3d at 1204 (emphasis added); *see also* Pet. App. 20a; *Inverness*, 309 F.3d at 1372. Under this approach, consulting the specification before consulting a dictionary "invites a violation of our precedent counseling against importing limitations into the claims," *Texas Digital*, 308 F.3d at 1204, as if such limitations could come only from specifications and not dictionaries.

In other cases, in contrast—including the landmark *Markman* decision affirmed by this Court—the Federal Circuit holds that "in interpreting an asserted claim, the court should look *first* to the intrinsic evidence, ... including ... the specification," because "[s]uch intrinsic evidence is the most significant source of the legally operative meaning of disputed claim language." *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996) (emphasis added); *see also Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979-81 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996). Under this view, "[c]laims *must* be read in view of the specification, of which they are a part." *Markman*, 52 F.3d at 979 (emphasis added); *see also Multiform Desiccants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1477 (Fed. Cir. 1998) ("When the meaning of a term is sufficiently clear in the patent specification, that meaning shall apply."). Only *after* consulting the specification—which, in contrast to extrinsic dictionary definitions, is part of the patent's public record—may a court consult the extrinsic evidence,

including dictionaries. *See, e.g., Zodiac Pool Care, Inc. v. Hoffinger Indus., Inc.*, 206 F.3d 1408, 1414 (Fed. Cir. 2000) ("The court turns to extrinsic evidence only when the intrinsic evidence is insufficient to establish the clear meaning of the asserted claim."); *Digital Biometrics, Inc. v. Identix, Inc.*, 149 F.3d 1335, 1346 (Fed. Cir. 1998) ("Because the intrinsic record is clear [from the specification,] we do not give weight to an inconsistent dictionary definition [from *The New IEEE Standard Dictionary of Electrical and Electronic Terms* (5th ed. 1993)].").

Needless to say, a presumption that an extrinsic dictionary provides the best source for defining a disputed claim term is squarely inconsistent with a presumption that the intrinsic specification provides the best source for such a definition. *See, e.g.*, Gretchen Ann Bender, *Uncertainty and Unpredictability in Patent Litigation: The Time Is Ripe for a Consistent Claim Construction Methodology*, 8 J. Intell. Prop. Law 175, 217 (2001) ("In many cases, the Federal Circuit determines the plain and ordinary meaning of the claim terms by relying on extrinsic evidence, such as dictionaries and even expert testimony. In other cases, the court ignores extrinsic evidence about the ordinary meaning of claim terms."). This case provides an excellent vehicle for resolving this inconsistency, because—as Rambus does not dispute—the meaning of the critical claim term "bus" depends on whether Rambus' extrinsic dictionary definition or the intrinsic specification is given precedence. Absent review by this Court, "uncertainty and unpredictability in patent cases will undoubtedly continue." *Id.*

CONCLUSION

For the foregoing reasons, as well as those set forth in the petition, this Court should grant the petition, and either summarily reverse the decision below or set the case for plenary review. At the very least, this Court should call for the views of the United States.

Respectfully submitted,

KENNETH W. STARR
Counsel of Record
CHRISTOPHER LANDAU
KANNON K. SHANMUGAM
KIRKLAND & ELLIS LLP
655 Fifteenth St., N.W.
Washington, DC 20005
(202) 879-5000

JOHN M. DESMARAIS
GREGORY S. AROVAS
THOMAS D. PEASE
MICHAEL P. STADNICK
KIRKLAND & ELLIS LLP
153 East 53rd St.
New York, NY 10022

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